



Testimony
Mila Kofman, J.D.
Executive Director, Health Benefit Exchange Authority
Before the
COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE ON EDUCATION & COMMITTEE ON HEALTH
B22-0062, Health Literacy Council Establishment Act of 2017

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John A. Wilson Building, Room 500
1350 Pennsylvania Avenue, NW
Washington, D.C. 20004

Chairman Grosso, Chairman Gray, Councilmembers Todd and Allen and members of the Committees, my name is Mila Kofman. I am the Executive Director of the DC Health Benefit Exchange Authority (HBX). HBX is a private-public partnership established pursuant to the Affordable Care Act to create and operate DC's state-based on-line health insurance marketplace called DC Health Link. I would like to thank you and all Councilmembers for your commitment to health care reform and all your efforts to help residents and District's small businesses gain affordable health care.

As a way of background, the Affordable Care Act (ACA) has enabled the District to expand health coverage so that more than 96% of our residents are now covered. We have the lowest uninsured rate we've ever had and rank between first and third (depending on the study) among all states in the nation for having the lowest uninsured rate. There are approximately 66,000 people covered through the marketplace for small businesses and 19,000 people with private health insurance coverage through the individual marketplace.

I am pleased to provide testimony on *B22-0062, the Health Literacy Council Establishment Act of 2017*. I applaud your efforts through the Health Literacy Council Establishment Act of 2017 to address a well-documented, long-standing fundamental problem — health insurance literacy and health literacy. Health insurance literacy among many things is the capacity to find and evaluate information about health insurance, make an informed selection, understand how health insurance works and how to use it. Health literacy is broader — the ability to obtain, process, and understand basic health information and services to make appropriate health

decisions. It is well documented that both health insurance literacy and health literacy is a problem in America. According to an Institute of Medicine study, there are 90 million adults in America considered to be health illiterate — have difficulty understanding and acting upon health information. (IOM 2004 “Health Literacy: A Prescription to End Confusion”)

Today I will focus my remarks on health insurance literacy and specifically the activities of the DC Health Benefit Exchange Authority. As you know the Affordable Care Act’s on-line health insurance marketplaces are in part designed to help consumers make better informed decisions about which health plans are right for them. After the initial go-live of DC Health Link, HBX has been actively engaged in enhancing and redesigning DC Health Link to improve usability for different types of consumers with varying levels of health insurance literacy. The redesign effort is on-going and is based on feedback from users — navigators who work with customers; brokers who work with customers, and customers.

In addition to customer feedback, we have conducted one-on-one user experience observational sessions to observe and learn how different customers use DC Health Link, areas that raise questions or cause confusion, and how well information on the webpage is understood. We conducted the initial phase of one-on-one user testing in the Spring of 2016. Here is a summary:

Test Methodology & Goals:

- The test intended to capture participant impressions, and to uncover areas where the usability and ease of use of the system, or the terms on the page, were confusing and did not match the user’s expectations.
- The sessions used the “think-aloud” methodology — a widely-used usability testing method.
- Testing focused on gaining *qualitative* feedback from participants.
- **How the test was run:** Each test was run as a one-on-one session, with a professional usability moderator and a test participant. Some sessions also had in-person observers, who took written notes. Each session lasted approximately one hour. The testing occurred in an office setting, with a computer setup expected to be used by test participants in real life.

The testing identified key issues and status update on HBX’s actions:

- No details on what is required for setting up passwords. Status Update: Upgrades to DC Health Link have been made.
- Expected steps for Special Enrollment Period (SEP). Status Update: Upgrades to DC Health Link are in process.
- Difficult plan terms and additional help. Status Update: Many upgrades to DC Health Link have been made including a plain English glossary of terms; others in process and being run through additional user testing.

- Organization of plan details and compare plans page. Status Update: Upgrades to DC Health Link are in process.
- Confusion around the “Confirmation” page — some users believed it was the final commit page, rather than a review page. Status Update: Upgrades to DC Health Link have been made.
- Lack of user understanding that preventive health services are covered with no cost sharing and no deductibles under the ACA. Status Update: New initiative for FY2018.

Highlights Plan Shopping and Plan Terms and status update on HBX’s actions:

- One participant thought catastrophic plans were the best plans, since they were displayed as a filterable item, following the Platinum plans. Status Update: Upgrades to DC Health Link have been made.
- HSA Eligibility: Some participants were unfamiliar with the term “HSA” so the filter did not make sense to them. Status Update: Upgrades to DC Health Link have been made: a new tool-tip defining HSAs.
- Some participants mistakenly thought that plans with the Dental or Pediatric indicator in plan names were not plans they would be looking for because they did not have children or did not need dental coverage. Status Update: Product names issue is difficult to address. Working with health plans.
- “Standard” plans were incorrectly equated with “basic” plans or little coverage. Status Update: Upgrades to DC Health Link have been made: new tool-tip defining standard plans.
- No participant was aware that some plans would require co-insurance even if a deductible has been met. Status Update: Upgrades to DC Health Link are in process: have added additional clarification that there is coinsurance after deductible, i.e., 20 percent coinsurance after deductible.
- Plan detail comparison used inconsistent terms leading to user confusion (“N/A” versus “\$” versus “No Charge” for covered services). Status Update: Upgrades to DC Health Link are in process.
- Order of “Covered Services” caused some to have to scroll down to find what was important to them. Status Update: Upgrades to DC Health Link are in process.

Through this observational testing we learned for example the following: 1) the order for listing covered benefits for each plan was not helpful; 2) Listing catastrophic plans after platinum led some customers to believe that catastrophic plans were better than platinum; and 3) The word coinsurance was not understood and therefore was not a meaningful factor when comparing coverage options.

Based on this research HBX has already made many changes to the DC Health Link shopping experience and has more in process. Not all improvements have been deployed yet because we are engaged in additional one-on-one user testing in certain areas to ensure that the proposed improvement actually yields an improved result. Additionally, HBX added consumer decision support tools. To-date our efforts were recognized by Clear Choices Campaign, which ranked

DC Health Link as number one among state and federal marketplaces for consumer decision support tools and websites.

An important factor for health insurance literacy is decision making, which is based on how information is presented. Early in our experience, we observed that our take-up rate for cost sharing reductions was low among residents who qualified because customers were choosing non-Silver plans (only Silver plans qualify for this benefit). We changed the on-line presentation of plans using a strategy called “nudging,” which encourages people to make certain decisions. In this case if a person qualifies for cost sharing reductions, our search engine now lists silver plans first. Based on this change, nearly all customers who qualify for cost sharing reductions now choose a silver plan and are able to get their copays, coinsurance, and deductibles reduced.

The improvements we have made and our 2017 and 2018 planned improvements to the IT platform is only one element of improving health insurance literacy.

In spring 2016, the Center for Study of Services — also known as Washington Consumers’ CHECKBOOK — conducted a survey of DC Health Link customers. People with individual private health insurance were contacted using a combination of email and telephone with surveys available in both English and Spanish. All current enrollees with a valid email address were sent emails inviting them to take the survey online. The survey had a 12 percent response rate, and responses were weighted based on age, tax credit eligibility and ward. In addition to learning about insurance status prior to enrollment, we asked questions related to health insurance literacy. Demographic information: 56 percent of respondents had higher than a four year college degree; 30 percent had a four year college degree, 8 percent had some college or a 2-year degree; 4 percent had a high school diploma (or GED); and 1 percent had some high school but did not graduate.

Here is a summary:

Confidence in using your current health insurance plan to:		
	TOTAL	PERCENT
Find a doctor or other health provider who is in your health insurance plan's network		
Very confident	1,010	58%
Somewhat confident	550	32%
Not too confident	128	7%
Not at all confident	58	3%
TOTAL	1,746	100%
Figure out whether a service is covered by your health insurance plan		
Very confident	535	31%
Somewhat confident	761	44%

Not too confident	319	18%
Not at all confident	131	8%
TOTAL	1,746	100%
Figure out which prescription drugs are covered by your health insurance plan		
Very confident	459	26%
Somewhat confident	713	41%
Not too confident	408	23%
Not at all confident	162	9%
TOTAL	1,742	100%
Figure out how much a prescription drug will cost you		
Very confident	358	21%
Somewhat confident	614	35%
Not too confident	522	30%
Not at all confident	247	14%
TOTAL	1,741	100%
Figure out how much a health care visit or service will cost you		
Very confident	449	26%
Somewhat confident	638	37%
Not too confident	429	25%
Not at all confident	227	13%
TOTAL	1,743	100%
Figure out which health care costs will count toward your health insurance plan's deductible		
Very confident	351	20%
Somewhat confident	620	36%
Not too confident	500	29%
Not at all confident	268	15%
TOTAL	1,739	100%
Figure out how much it will cost to visit a health care provider or use a service that is not in your health insurance plan's network		
Very confident	263	15%
Somewhat confident	479	28%
Not too confident	578	33%
Not at all confident	418	24%
TOTAL	1,738	100%
Figure out what counts as preventive care services under your health insurance plan		
Very confident	380	22%
Somewhat confident	708	41%
Not too confident	422	24%
Not at all confident	230	13%
TOTAL	1,740	100%

Review the Explanation of Benefits (EOB) statements you get from your plan to understand what the health insurance plan paid for a service and what you owe		
Very confident	533	31%
Somewhat confident	713	41%
Not too confident	345	20%
Not at all confident	148	9%
TOTAL	1,739	100%

After we received the results of the survey, we took immediate action. We prioritized the addition of a formulary look up tool to our Plan Match tool in order to address the uncertainty of how a prescription medication is covered and if it is covered. We also convened a steering committee whose members included all health plans in DC Health Link to begin brainstorming ideas on what we can do to empower our enrollees with information to better understand their health plan benefits and to become smarter users of their health coverage. Over the years, health plans have invested significant resources on health insurance literacy. We wanted to benefit from their experience and avoid reinventing the wheel. The steering committee had four meetings to share information about strategies that each health plan has developed over the years and to help develop a short-term strategy for HBX. In addition there were multiple meetings with each of the health plans. This effort resulted in HBX including a programmatic initiative for FY2018 — to pilot focused health insurance literacy strategies targeted at people under 30 years of age enrolled in private coverage through DC Health Link. The focus will be on preventive care health insurance benefits.

In addition to our direct efforts to improve health insurance literacy, we rely on DC Health Link Navigators/Assisters to work with residents. HBX provides grant funding to certain community based groups to be “navigators” – to help residents enroll through DC Health Link. Navigators main responsibility is enrollment. If additional federal grants were to be made available, we would provide additional funding to DC Health Link Navigators to also focus on educating the residents they work with to improve both health insurance literacy and health literacy. We also rely heavily on brokers. Brokers are paid commissions by health plans for enrollment. Although most spend a lot of time educating their clients, there are few opportunities for on-going support unless the client has a problem.

HBX is committed to continuing to improve the health insurance literacy of the privately insured population we serve. However, we are only one part in helping to address the difficult systemic problem of low level of health insurance literacy and health literacy. I applaud your efforts through *B22-0062, the Health Literacy Council Establishment Act of 2017* and support the tremendous opportunity this presents to address health insurance literacy and health literacy District wide. I look forward to working with you on this effort.